STUDENT ID NO

MULTIMEDIA UNIVERSITY

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FINAL EXAMINATION

TRIMESTER 2, 2015/2016

PBU0045 – INTRODUCTION TO BUSINESS MANAGEMENT

(Foundation in Engineering, Foundation in Information Technology, Foundation in Life Sciences, Foundation in Law and Foundation in Management)

1 MARCH 2016
9.00 A.M. – 11.00A.M.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **EIGHT(8)** pages excluding the cover page.
2. Answer **ALL** questions in **Sections A, B,** and **C.**
3. Shade your answers for **Sections A** on the OMR sheet. Write your answers for **Sections B** and **C** in the Answer Booklet.

SECTION A: MULTIPLE CHOICE [40 MARKS]

Instructions: Answer **ALL** questions in this section. Shade your answers on the **OMR** sheet.

1. Which aspect of the management process involves guiding and motivating employees to meet an organisation's objectives?
   A. Leading
   B. Planning
   C. Organising
   D. Controlling

2. Which of the following **BEST** describes business strategy?
   A. A strategy that assists first-line managers in making day-to-day decisions about motivating employees.
   B. A strategy at the business-unit or product-line level that focuses on improving a firm's competitive position.
   C. A strategy by which managers in specific areas decide how best to achieve corporate goals through productivity.
   D. A strategy for determining the firm's overall attitude toward growth and the way it will manage its businesses or product lines.

3. Which of the following is **NOT** considered as an organisational strength?
   A. Technical expertise.
   B. Dedicated work force.
   C. Strong market position.
   D. Changing consumer tastes.

4. On Multimedia University (MMU) website, it states "To bring together talent for Inquiry, Inspiration and Innovation". This is an example of a _____.
   A. goal
   B. strategy
   C. corporate culture
   D. mission statement

5. What kind of departmentalisation happens when an organisation is divided according to groups' activities?
   A. Process departmentalisation
   B. Customer departmentalisation
   C. Functional departmentalisation
   D. Geographic departmentalisation

6. Johnny has assigned the task accordingly to his subordinates. Which of the following comes next?
   A. Granting authority to complete the task
   B. Creating a work team to complete the task
   C. Assigning responsibility to perform the task
   D. Creating accountability for the successful completion of the task

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7. Jack Welch, former CEO of General Electric, stated, "If you don't let managers make their own decisions, you're never going to be anything more than a one-person business." What style of management is Welch proposing?
   A. Staff management
   B. Centralised management
   C. Geographic management
   D. Decentralised management

8. Which of the following is a virtual organisation?
   A. ABY company with no formal structure but only a handful of permanent employees.
   B. BGQ company with little or no underlying functional hierarchy relies almost exclusively on project-type teams.
   C. FDS company works to facilitate the lifelong learning and personal development of all of its employees while continually transforming itself to respond to changing demands and needs.
   D. None of the above

9. Toyota's special ability to produce quality cars to outperform the competitors is said to have _____.
   A. quality control
   B. operations capability
   C. well method planning
   D. good custom-products layout

10. When Tupperware produces its product, it will need to ensure the "consistency" of the product. What does "consistency" refer to?
    A. The sameness of product quality from unit to unit.
    B. The sum of all activities involved in getting high-quality products into the marketplace.
    C. The principle that quality belongs to each person who creates it while performing a job.
    D. The process by which a company analyses a competitor's products to identify desirable improvements.

11. Cubic Ltd. implements a production system in which all the needed materials and parts arrive at the precise moment when they are required for each production stage. What does the system refer to?
    A. Quality control system
    B. Just-in-time production
    C. Process control system
    D. Standardised production

12. When a worker at Dell takes one part of Acer's computer and tests each component, the worker is engaging in which activity?
    A. Value-added analysis.
    B. Quality reliability analysis.
    C. Competitive product analysis.
    D. Business process reengineering.

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13. Which of these behaviours **BEST** indicate good organisational citizenship?
    A. Asking for a pay raise
    B. Meeting job performance standards
    C. Being willing to help new employees
    D. Using office supplies for business use

14. Daniel has accepted an offer from Xerox Corporation. In the psychological contract, which of the following aspect is provided by Daniel?
    A. Pay
    B. Skills
    C. Benefits
    D. Job security

15. Mary feels happy towards her current job, which of the following reflects Mary's feeling?
    A. She tends to be absent less often
    B. She sees herself as a true member of the firm
    C. Both A and B
    D. None of the above

16. Which of the following will a manager expect to see in an employee who has a low degree of agreeableness?
    A. A tendency to have mood swings
    B. An inability to work in a team setting
    C. A tendency to be unprepared at meetings
    D. A high level of comfort with other people

17. The factory workers of Sushitshu Industries are not very productive. They cannot get things done on time. Which approach to leadership should leaders focus on in order to improve the level of productivity?
    A. Task-focused leader behaviour.
    B. Employee-focused leader behaviour.
    C. Situational-focused leader behaviour.
    D. Transactional-focussed leader behaviour.

18. What is the main focus of transformational leadership?
    A. The importance of leading for change.
    B. The importance of inspiring all the followers with little effort.
    C. The importance of leading with a regimented set of actions and procedures.
    D. The importance of managing employer-employee relationships effectively.

19. One of the changing natures of leadership is cross-cultural leadership. What is the main concept of cross-cultural leadership?
    A. The ability of leaders to discard new culture present in an organisation.
    B. The ability of leaders to embrace the different cultures around the world.
    C. The acceptance that different cultures have different ways of expressing themselves.
    D. The ability of leaders to encompass both the international differences and diversity-based differences within one culture.

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20. Why is it important for companies to offer incentive programs?
    A. Incentive programs motivate employees to perform better.
    B. Incentive programs foster good relationships among the employees.
    C. Incentive programs allow employers to penalise employees accordingly.
    D. Incentive programs encourage unhealthy competition among the employees in the workplace.

21. What is the difference between salary and wages?
    A. There is no significant difference.
    B. Salary is usually paid for weekly while wages are paid monthly.
    C. Salary is the compensation in the form of money paid for the responsibility carried out while wages is the compensation paid for the time worked.
    D. Wages is the compensation in the form of money paid for the responsibility carried out while salary is the compensation paid for the time worked.

22. Air Asia cabin crew will have to go through intensive on the ground training before they are able to be on duty in the airplanes. They will be usually trained in a mock airplane that is equipped with in-flight facilities. Training in a simulated environment such as this is known as _____.
    A. vestibule training
    B. in-house training
    C. on the job training
    D. off the job training

23. When Amy wants to buy clothes from a boutique, she will always consider the suitability of the clothes with her occupation. What kind of influence will be on Amy's consumption behaviour?
    A. Social
    B. Cultural
    C. Personal
    D. Psychological

24. Which of the following examples show the product line of a firm?
    A. Colgate produces toothbrushes, toothpastes and mouthwash.
    B. Nova produces rolling walker, folding walker, canes and crutches.
    C. Johnson & Johnson produces baby care, skin and hair care, wound care and topicals.
    D. Lady's Choice produces Real Mayonnaise, MayoLite, fruit salad dressing and coleslaw dressing.

25. Sarah sells burgers for her business project in MMU. She has added some monetary amount to her cost to sell it at a profit. Which price setting tool did she apply?
    A. Odd-even pricing.
    B. Breakeven analysis.
    C. Cost oriented pricing.
    D. Psychological pricing.

Continued...

26. If a farmer sells his own plant vegetables to the visitors who visit his farm, which type of distribution channel is he involved with?
    A. Retail distribution
    B. Direct distribution
    C. Wholesale distribution
    D. Distribution by brokers

27. Most of the firms today will choose different ways to promote their product. Which of the following is the purpose of promotion?
    A. To eliminate competition
    B. To communicate information
    C. To develop new uses for products
    D. All of the above

28. Which of the following is crucial for high-priced consumer products such as houses and cars?
    A. Creative selling.
    B. Order processing.
    C. Missionary selling.
    D. Interactive marketing.

29. Who is the user of accounting information?
    A. Mr. Lee who is currently developing goals and plans, setting budgets and evaluating future prospects.
    B. Ms. Sandra who is estimating her returns and determining the growth prospects of a firm's stock.
    C. Mr. Ramlan who is planning for tax inflows and determining the tax liabilities of individuals and businesses.
    D. All of the above.

30. Julie's Company has a net income of RM8 million. Julie's number of outstanding shares of stock is 4,560,000 shares. What is the company's earnings per share?
    A. RM1.25
    B. RM1.29
    C. RM1.75
    D. RM1.85

31. A company has an assets-to-liabilities ratio of 4:2 and total assets worth RM8 million. What is its owners' equity?
    A. RM2 million
    B. RM3 million
    C. RM4 million
    D. RM6 million

32. Which of the following scenarios would most likely occur with a company that has reported disappointing earnings recently?
    A. Low activity ratio
    B. Low profitability ratio
    C. Low short-term solvency ratio
    D. High long-term solvency ratio

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33. Which of the following financial institution is considered to be owned by its depositors?
    A. Pension funds
    B. Commercial banks
    C. Mutual savings banks
    D. Savings and loan associations

34. A Malaysian buys goods from a supplier in China. He has arranged for his bank to pay the supplier the cost of the desired material when it has passed the customs in Thailand. What type of bank promise is this called?
    A. Letter of credit
    B. Certified check
    C. Bank trust service
    D. Banker's acceptance

35. Javier wants to invest, but wants to reduce his risk of loss by spreading the total investment across more stocks. Javier would be most interested in which of the following?
    A. Shorting
    B. Spreading
    C. Diversification
    D. Asset allocation

36. What is the current price of a share of stock in the stock market called?
    A. Par value
    B. Total value
    C. Book value
    D. Market value

37. The profit realised when the market value of an investment increases is known as which of the following?
    A. Capital gain.
    B. Diversification.
    C. Asset allocation.
    D. Price appreciation.

38. Risk that involves the possibility of gain or loss, such as financial investment, designing new products, are examples of _____.
    A. Pure risk
    B. Speculative risk
    C. Risk management
    D. Uncontrollable risk

39. Which of the following best describe risk retention?
    A. Practice of transferring a firm's risk to another firm.
    B. Practice of covering firm's losses with its own funds.
    C. Practice of avoiding risk by declining or ceasing to participate in an activity.
    D. Practice of minimizing the frequency or severity of losses from risky activities.

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40. Which of the following is **NOT** the criterion for insurable risk?
    A. Casualty
    B. Verifiability
    C. Unpredictability
    D. Unconnectedness

SECTION B: SHORT ANSWER [40 MARKS]

Instructions: Answer **ALL** questions in this section. Write your answers in the Answer Booklet.

1. a) What are the **THREE** types of goals? (3 marks)
   b) Kindly explain contingency planning and crisis management (2 marks)

2. What is meant by delegation? List the steps involved in the delegation process. (4 marks)

3. What are the **FIVE** commonly used tools for Total Quality Management? (5 marks)

4. List **FIVE** examples of contributions from an individual in a psychological contract. (5 marks)

5. State **THREE** basic distinctions of leadership and **TWO** basic distinctions of management. (5 marks)

6. State the **FIVE** external factors that will affect the marketing environment (5 marks)

7. a) State the difference between financial accounting and managerial accounting. (2 marks)

   b) Name **THREE** types of services normally provided by a certified public accountant (CPA). (3 marks)

8. a) What is the difference between debt financing and equity financing? Give one example for each. (4 marks)

   b) Explain the risk-return (risk-reward) relationship (2 marks)

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SECTION C: ESSAYS [20 MARKS]

Instructions: Answer **ALL** questions in this section. Write your answers in the Answer Booklet.

1. Recently the government has restricted the number of foreign workers entering the country. With this new restriction, OLDTOWN White Coffee Bhd. is affected as most of their employees are foreign workers. One of the ways to overcome the shortage of staff is by hiring contingent or temporary workers. What is meant by contingent or temporary worker? What can OLDTOWN do to manage these workers?

(10 marks)

2. SenSeng is a brand new electronic appliances company. This company is putting much effort in pricing their products. What can be done by SenSeng company in pricing their new products. Discuss the pricing strategies and pricing tactics that can be implemented in introducing the new products to the market.

(10 marks)

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